

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 2-3, 2005

Reference No.: 4.2
Information Item

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Ref: **ANNUAL REVIEW OF THE RATE FOR LOCAL GOVERNMENT MATCHING OF CALIFORNIA AID TO AIRPORTS PROGRAM (CAAP) GRANTS**

ISSUE:

Under state requirements, the California Transportation Commission (Commission) is required to annually establish the rate at which local governments must match Acquisition and Development (A&D) grants from the Aeronautics Program.

The California Department of Transportation (Department) will present a resolution to adopt the matching rate for Fiscal Year 2005-06 to the Commission at its next meeting. The Commission's Technical Advisory Committee on Aeronautics (TACA) will review this proposal and present a recommendation to the Commission.

BACKGROUND:

State law (Public Utilities Code Section 21684) requires local sponsors to match A&D grants at a rate of between 10 percent and 50 percent of the project cost. This law also requires the Commission to establish the matching rate annually.

In prior years, the Commission has established the matching rate at 10 percent. In 1995, the Commission stated its intention to consider changing the matching rate only at the same time as its biennial adoption of the Aeronautics Program. The 2004 Aeronautics Program that the Commission adopted at the June 2004 meeting was developed using a 10 percent matching rate.